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ABSTRACT

This report presents background information on possible strategies for shortening degree-completion times at Texas universities. A brief discussion of the advantages and disadvantages of each strategy is presented, along with a rough estimate of the fiscal consequences of each. The report notes that the percentage of students who complete their studies in 4 years declined from 45.4 percent in 1977 to 31.1 percent in 1990. Long times-to-degree increase costs to the state, to students, and to their parents. Numerous causes have been suggested for long degree-completion times including: more part-time students, delays caused by doing remedial course work, reduced availability of required courses, transfer problems, a lowered work ethic, and others. The 10 strategies considered are: (1) require universities to guarantee a specific time-to-degree; (2) reduce credits required for degrees; (3) encourage students to earn college credit while in high school; (4) charge block tuition; (5) use technology/distance education; (6) increase summer school opportunities; (7) provide financial rewards to students who graduate in 3 years; (8) impose surcharge for excessive credits; (9) limit enrollments to required classes; and (10) provide state subsidies only for required courses. (JLS)

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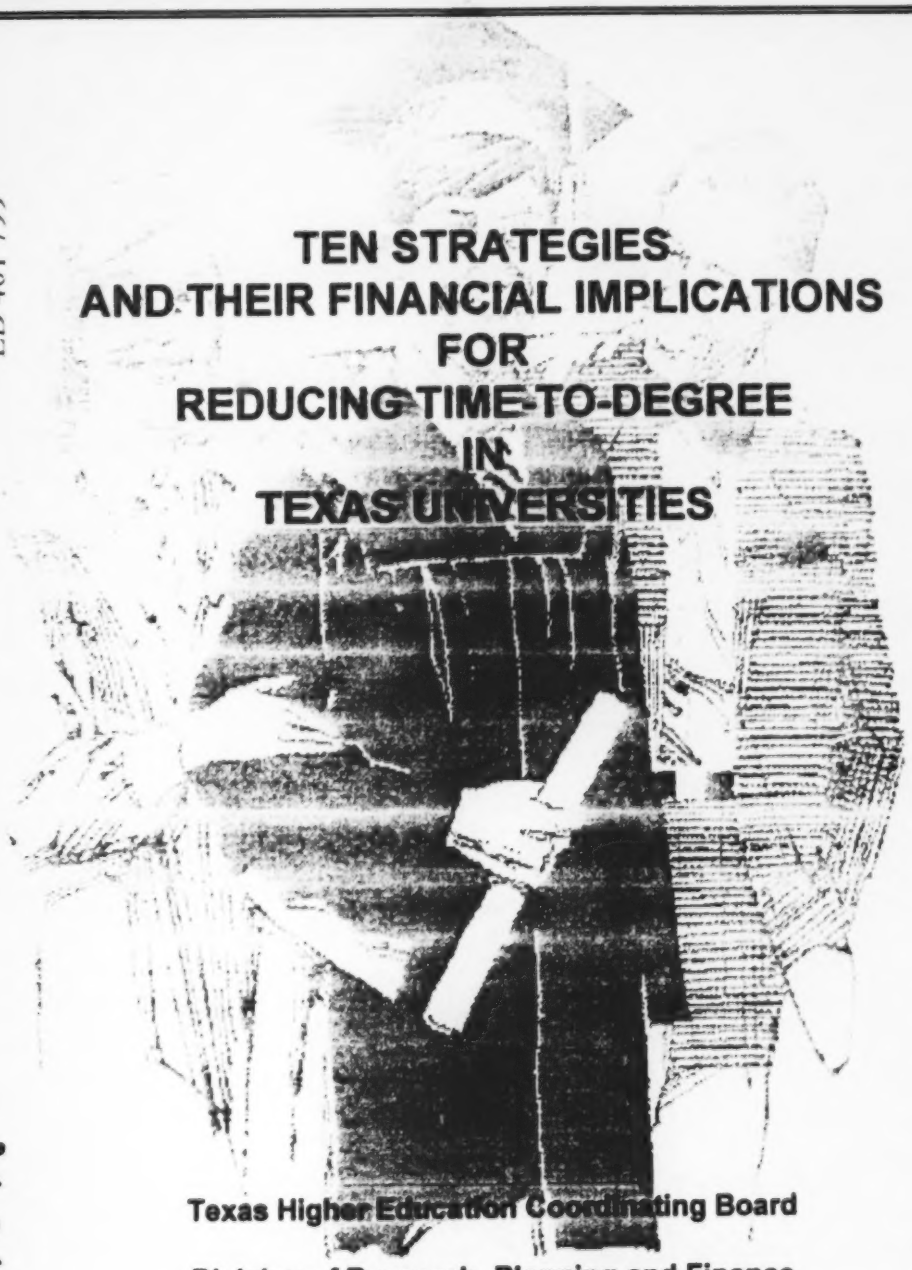
TEN STRATEGIES AND THEIR FINANCIAL IMPLICATIONS FOR REDUCING TIME-TO-DEGREE IN TEXAS UNIVERSITIES



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Texas Higher Education Coordinating Board

Division of Research, Planning and Finance

October 1996

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Coordinating Board Mission

The mission of the Texas Higher Education Coordinating Board is to provide the Legislature advice and comprehensive planning capability for higher education, to coordinate the effective delivery of higher education, to efficiently administer assigned statewide programs, and to advance higher education for the people of Texas.

THECB Strategic Plan

Coordinating Board Philosophy

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is elitism. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies.

THECB Strategic Plan

Executive Summary

The National Center for Educational Statistics has reported that the percentage of baccalaureate-level graduates who complete their studies in four years declined from 45.4 percent in 1977 to 31.1 percent in 1990. On average, students who received baccalaureate degrees in Texas public universities during fiscal year 1995 spent six years completing their degree requirements, were enrolled for 13.9 semesters, and attempted 154.7 semester credit hours of course work.

Long times-to-degree increase costs to the state and to students and their parents. In addition, long degree-completion times negatively impact graduation rates.

Numerous causes have been suggested for long degree-completion times: more part-time students, delays created by the necessity for doing remedial course work, reduced availability of required courses, transfer problems, lowered work ethic, and others.

A number of states have either enacted or are considering policies designed to lower time-to-degree. This report briefly describes 10 different strategies for shortening degree-completion times. A brief discussion of the advantages and disadvantages of each is presented, along with a rough estimate of the fiscal consequences of each.

No specific strategy is recommended. Rather, the report is intended to be a background paper on the issue.

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I am slow of study.

William Shakespeare

Time is money.

Benjamin Franklin

Time-to-Degree in Texas Universities

As in most other states, students in Texas public institutions of higher education are taking longer to complete their baccalaureate degree programs. This development concerns policy makers because it increases the cost of education, both to students and to the state, and because long degree-completion times negatively impact graduation rates.

Extended time-to-degree is not a new phenomenon, and some students have always spread their studies out over longer than normal periods of time, usually considered to be four years for a baccalaureate degree. Although some students complete them in as few as three years, many students are taking longer to complete their degrees. The National Center for Educational Statistics reports that the percentage of students who received baccalaureate degrees in four years decreased from 45.4 percent in 1977 to 31.1 percent in 1990.

Of the Texas students who earn baccalaureate degrees, fewer than 30 percent do so in four years. On average, students who received baccalaureate degrees in Texas universities during fiscal year 1995 spent six years in school, were enrolled for 13.9 semesters, and attempted 154.7 semester credit hours of course work.

Time-to-degree statistics for graduate degrees are similarly extended, a fact that caused the Texas Legislature to cap the reimbursement for doctoral students in 1993. Table 1 on the following page shows time-to-degree statistics for Texas public universities.

In recent years, a number of states have enacted policies intended to shorten the period of time that students spend working on their degrees. Many other states are considering policy changes at this time.

Numerous reasons have been suggested as causes for extended times-to-degree. Some of these include the following:

- Because financial aid is inadequate, more students work and attend school part-time.
- Inadequate availability and capacity in required courses will not allow students to take full course loads. Students then must lengthen the time required to obtain degrees.
- Because many students are not adequately prepared to do college-level work, they must complete remedial classes before beginning college-level work.
- A campus culture has developed in which 12 credits per semester is considered by both students and faculty to be a full academic load.

Table 1 - Time-to-Degree Report, 1995*

Institution	Adjusted # BA/BS Grads			Mean Semesters Enrolled			Mean Hours Attempted			Mean Years to Degree		
	Begin CC	Begin Univ	TOTAL	Begin CC	Begin Univ	TOTAL	Begin CC	Begin Univ	TOTAL	Begin CC	Begin Univ	TOTAL
Sul Ross Rio Grande College	61	26	87	15.5	13.3	14.9	148.0	125.1	141.1	6.8	6.2	6.6
Angelo State University	214	432	646	13.5	12.7	13.0	156.9	153.0	154.3	6.0	5.6	5.7
Texas A&M University-Commerce	589	380	969	13.6	12.3	13.1	156.6	147.3	152.9	6.1	5.4	5.8
Lamar University	208	610	818	14.6	14.3	14.4	162.3	160.1	160.7	6.3	6.2	6.2
Midwestern State University	167	365	532	14.2	13.0	13.4	148.4	145.2	146.2	6.4	5.7	6.0
University of North Texas	1719	1407	3126	15.1	13.8	14.5	161.6	158.5	160.2	6.6	5.9	6.2
University of Texas-Pan American	74	846	920	16.2	15.6	15.7	170.6	171.1	171.0	7.2	6.5	6.5
Sam Houston State University	954	847	1801	14.0	12.8	13.4	161.5	153.7	157.8	6.2	5.5	5.9
Southwest Texas State University	1333	1432	2765	15.1	13.8	14.4	160.8	157.7	159.2	6.6	5.8	6.2
Stephen F. Austin State University	1033	879	1912	14.0	12.6	13.3	162.6	155.0	159.1	6.2	5.2	5.7
Sul Ross State University	89	110	199	13.5	13.0	13.2	162.0	167.0	164.8	6.2	5.7	5.9
Prairie View A&M University	169	334	503	15.1	13.0	13.7	178.3	168.1	171.5	6.7	5.7	6.0
Tarleton State University	479	366	845	13.9	12.5	13.3	163.7	158.7	161.5	6.2	5.4	5.9
Texas A&M University-Kingsville	196	373	569	15.6	14.5	14.9	181.7	169.4	173.6	6.7	6.1	6.3
Texas Southern University	140	388	528	16.3	14.7	15.1	184.2	173.3	176.2	7.2	6.4	6.6
Texas Tech University	1128	1755	2883	13.9	12.8	13.2	160.1	153.2	155.9	6.2	5.5	5.7
Texas Woman's University	703	389	1092	14.8	13.1	14.2	151.1	146.9	149.6	6.5	5.6	6.2
University of Houston	1437	1605	3042	15.6	13.9	14.7	162.5	154.6	158.4	6.7	6.0	6.4
University of Texas at Arlington	1338	1214	2552	15.5	13.9	14.8	156.7	150.1	153.6	6.8	6.0	6.4
University of Texas at Austin	2221	4192	6413	13.6	11.8	12.5	143.9	136.6	139.1	6.0	5.1	5.4
University of Texas at El Paso	438	1016	1454	16.2	15.1	15.4	163.1	163.7	163.5	7.0	6.4	6.6
West Texas A&M University	364	346	710	13.5	12.3	12.9	141.6	144.2	142.9	6.2	5.5	5.8
Texas A&M International	238	14	252	15.8	13.7	15.7	164.2	136.2	162.6	6.6	6.7	6.6
University of Texas at Dallas	674	199	873	15.8	13.8	15.3	140.4	136.0	139.4	6.8	6.2	6.7
University of Texas-Permian Basin	222	49	271	14.3	13.4	14.1	146.7	139.9	145.5	6.4	6.0	6.3
University of Texas at San Antonio	855	889	1744	15.5	13.7	14.6	156.7	150.3	153.4	6.9	6.1	6.5
Texas A&M University at Galveston	60	115	175	15.0	12.2	13.2	178.0	156.7	164.0	6.6	5.3	5.7
Texas A&M University	2588	3591	6179	14.2	12.7	13.3	160.9	153.7	156.7	6.1	5.2	5.6
Texas A&M University-Corpus Christi	487	103	590	15.6	14.0	15.3	154.9	149.7	154.0	6.8	6.4	6.7
University of Texas at Tyler	508	58	566	14.4	13.6	14.3	149.9	141.5	149.0	6.5	6.5	6.5
University of Houston-Clear Lake	621	160	781	16.0	14.9	15.8	158.6	152.2	157.3	7.0	6.7	6.9
University of Houston-Downtown	271	361	632	16.3	15.5	15.8	156.4	154.7	155.5	7.3	6.8	7.0
University of Houston-Victoria	139	20	159	15.0	13.8	14.9	148.3	154.0	149.1	6.7	6.5	6.7
Texas A&M University-Texarkana	174	17	191	14.1	13.3	14.1	138.4	110.3	135.9	6.4	6.5	6.5
University of Texas at Brownsville	280	37	317	15.6	15.1	15.5	170.7	164.2	169.9	6.6	6.6	6.6
TOTAL	22,171	24,925	47,096	14.7	13.2	13.9	157.4	152.4	154.7	6.5	5.6	6.0

*Note: Includes enrollment records in public institutions 1985 through 1995. Students enrolled fewer than 6 semesters were excluded.

- It is widely believed that institutions require more credits for degrees than they did in the past.

- Funding policies driven by enrollments provide inadequate financial incentives for institutions to ensure that students graduate expeditiously and may even encourage institutions to retain students.

- Some students are unable to transfer all of their community college credits to a Texas public university.

- Students change their majors or choose to take courses not required for their degrees.

- Students choose to drop classes in which they are not doing well or classes in which they believe that they could do better to enhance their academic records.

- Professional groups have succeeded, through accrediting agencies, licensing requirements, and lobbying efforts, in increasing the number of credits required to enter their professions.

- More older students who attend school part-time while pursuing their careers are enrolled than in the past.

Of course, if Texas is to continue to provide higher education access to all of its citizens, it is not possible to reduce time-to-degree to four years for all students. For example, institutions must offer employed students opportunities to pursue their degrees on a part-time basis, and it is clear that some students will need academic remediation.

But, it is also intuitively obvious that it should be possible to make improvements in many students' time-to-degree. This report suggests some alternative strategies designed to do that.

Time-to-Degree as a Financial Issue

The financial implications of increasing time-to-degree are not fully understood, but there are significant financial consequences to students, their parents, to institutions, and to the state. Most of the emphasis in reducing higher education costs has been focused on reducing administrative costs or increasing the number of classes professors teach. While there is widespread support for reducing administrative costs, this is unlikely to be a source of significant savings. Administrative costs are a relatively small part of total institutional costs, and they have been the subject of intense scrutiny for years. Institutions have tried hard to reduce administrative costs, and most have met with some degree of success. While some additional savings may be possible, they are likely to be relatively small.

Similarly, increasing teaching loads is unlikely to be a vehicle for generating significant savings. Studies by the State Auditor, the Coordinating Board, and institutions indicate that teaching loads in Texas are comparable to those in other states. Because Texas must compete with other states for faculty resources, it cannot unilaterally impose working conditions significantly different from those of other states.

The financial consequences of the increasing time-to-degree have not received the attention they deserve. In part, the issue is confused by the multiplicity of causes of extended time-to-degree. More importantly, a common but erroneous assumption suggests that while the increasing time-to-degree may have financial implications for students, which they willingly absorb, there are no financial consequences for the state regardless of whether a student chooses to complete his or her degree in four years or extend it over eight years.

In fact, extended times-to-degree have financial consequences for both students and the state, they are significant, and the additional costs to students and their parents are not always willingly absorbed. Students who spread their studies over longer periods of time place a disproportionate demand on financial aid resources. Because students who spread their studies over longer periods of time usually attempt more courses overall than do students who complete their studies in shorter periods, these students generate additional direct instructional costs. Because there are many costs that are incurred by an institution simply by having the student on the campus, extending time-to-degree increases costs to the state.

Students and their parents incur financial penalties by extending time-to-degree. Living costs are essentially independent of the number of courses taken in a given semester. Students become liable for some fees each semester, no matter how few courses they may take, so extending degree programs over additional terms results in additional fees. Finally, students who extend degree programs over longer periods of time forego income and professional opportunities that would otherwise accrue to them if they had graduated sooner.

Table 2, below, contains estimates of the cost to the student and to the state of completing degrees in four years, five years, and six years.

Table 2 - Cost of Degrees

Degree/Time	Cost to Parent or Student	Cost to State
BA/BS - 4 years	$41,636	$24,948
BA/BS - 5 years	$50,950	$28,350
BA/BS - 6 years	$60,264	$31,752

Finally, it is difficult to evaluate the extent to which slow academic progress impacts degree completion rates. No one knows how many students or their parents decide to curtail their academic aspirations when, after two or three years, they determine that obtaining a degree will require significantly more time and result in significantly more debt than they had originally believed.

Policies that will result in reduced time-to-degree for those students for whom reduced time-to-degree is appropriate are classic win-win situations. They benefit both the state and the student. The following section proposes policies for achieving this goal.

Ten Strategies for Reducing Time-to-Degree

This section contains 10 different strategies for reducing time-to-degree. Each of these strategies has been implemented by a state, has been discussed by the Texas Legislature, or has been suggested in the literature.

The focus of this section is on baccalaureate degrees because they represent the largest number of degrees offered and because this has been the focus of much of the discussion on this topic. Many of the strategies are equally applicable to graduate degrees, however.

For each strategy, a specific proposal is provided showing one way it could be implemented, a general discussion of the advantages and disadvantages of the strategy and its effect on time-to-degree, and an estimate of the statewide fiscal impact of implementing the strategy.

In most cases, there could be many ways in which the strategy could be implemented, and each will have different effects.

Strategy 1. Require universities to guarantee time-to-degree

Specific Proposal: The Legislature could require that universities guarantee that any student who satisfies admission requirements, attends full-time, follows a prescribed program of study, and passes every course would be able to register in the courses needed to graduate in a stated period of time (usually four years).

Discussion: Four-year guarantees address a number of problems that cause extended times-to-degree. They force institutions to evaluate their program offerings to ensure that they can offer enough courses and the right courses so that students can graduate in a timely manner.

They make it clear to students, parents, and faculty that timely graduation is both possible and normal. They provide very positive incentives for students to stay "on track," completing courses when they are available and providing a clear disincentive to repeat courses or take courses not included in their degree requirements.

Further, because it is typically necessary to take a full academic load each semester to graduate in four years, it provides a positive incentive for students to do that.

States that have four-year degree guarantees include Florida, Iowa, Montana, Oregon, South Dakota, and Washington.

Fiscal Impact: Of the approximately 47,000 students who receive baccalaureate degrees, about 14,000 graduate in four years. These students should be unaffected by

this program, as should students who currently spend seven or more years working toward their degrees. Assuming that one-third of the students who currently obtain degrees in five or six years would be motivated to complete their degrees in four years, the total savings to the state is estimated at $37 million. The total savings to parents and students is estimated at $103 million.

Strategy 2. Reduce credits required for degrees

Specific proposal: The Legislature could establish limits on the number of credits that an institution could require for baccalaureate degrees in different disciplines. For example, the Legislature could establish limits -- from 120 credits to 132 credits, depending on the discipline -- on the number of credits that could be required.

Discussion: One of the reasons that students are thought to take longer to complete baccalaureate degrees is that, over time, institutions have increased the number of courses (credits) required for a degree. Accounting is one example in which the entry-level degree in recent years has been expanded to a five-year degree program from a four-year degree program. Typically, vocationally oriented degrees require more credits than do traditional academic degree programs.

Public universities, in general, require more courses for comparable degrees than do independent institutions in Texas and significantly more than independent "Ivy League" colleges. It is also the case that there is considerable variation among public universities in the number of credits required for a given degree.

However, based on an informal, non-scientific survey of Texas university catalogs, inceasing degree requirements do not appear to be the major cause of lengthening times-to-degree. Over the past 30 years, the number of credits required for a degree has changed relatively little, although there are a few disciplines in which degree requirements have been significantly expanded.

Reducing degree requirements would be viewed by some as a reducing the quality or breadth of the undergraduate experience, and this would be an issue in any attempt to implement this strategy.

The relationship between credits required and time-to-degree is impossible to predict. Nevertheless, a number of states, including Arizona, Florida, Georgia, Kansas, Nebraska, New York, North Carolina, and Virginia, recently enacted policies that constrain the number of hours required for baccalaureate degrees.

This strategy slightly decreases the number of courses that a student would be required to take, but it does nothing to encourage students to take more courses in a given term.

Fiscal impact: It is unlikely that lowering degree requirements will do much to shorten time-to-degree below four years, but most students do not graduate in four years. For

those students who currently spend more than four years completing their degrees, lowering the degree requirements by a given percentage will, on average, lower the time-to-degree by that same percentage.

If this strategy is implemented, the average number of credits for a baccalaureate degree in Texas should be reduced by four and, on average, students who graduate should take three fewer credits during the course of their undergraduate careers. Of the estimated 47,000 students who receive baccalaureate degrees each year, about 70 percent spend more than four years. Reducing the credits taken by these students by three would be the equivalent of eliminating 3,000 students from Texas higher education. The cost of education to the State of Texas for one FTE student is approximately $5,668, so this strategy would result in an annual cost saving to the state of approximately $17 million per year.

Assuming an annual cost of higher education to the student of $10,409 per year, reducing the number FTE students by 3,000 would result in savings to students and their parents of an estimated $31 million.

Strategy 3. Encourage students to earn college credits while in high school

Specific proposal: The Legislature could require that public institutions of higher education aggressively encourage potential students to acquire college credits prior to enrollment in college through Advanced Placement (AP), the College Level Examination Program (CLEP), dual enrollment, and other mechanisms. The number of these credits accepted could be included in the measures that the Legislature uses to evaluate institutional performance.

Discussion: Good students can significantly shorten their time-to-degree in college by earning college credits while in high school.

In the Advanced Placement Program, students take standardized advanced high school courses while in high school. They are given college credit after passing a national examination. In the last two years, Texas has made major progress in increasing the number of Advanced Placement courses offered in high schools, although it is still behind most other Southern states. A recent report of the Southern Regional Education Board indicated that Texas lagged 11 of the other 14 Southern states in the percentages of high schools offering Advanced Placement courses.

As another alternative, the College Level Examination Program (CLEP) provides standardized testing without standardized courses. As a third alternative, many good students could, if encouraged, take college classes during their senior year in high school while completing high school degree requirements.

While most institutions have provisions for obtaining college credit through alternate means, these opportunities are often not prominently displayed in catalogs or encouraged during orientation programs and similar events.

Florida, Georgia, Iowa, Kansas, Kentucky, Minnesota, Montana, North Carolina, Oregon, South Dakota, Virginia, Washington and Wisconsin all have programs designed to actively encourage high school students to earn university credits prior to graduation from high school. In Wisconsin, the Board of Regents requires institutions to count in the students' major all AP and CLEP credits passed with a score of three or higher.

This strategy would slightly decrease the number of courses that students would be required to take, but it would do little to encourage them to take more courses in a given semester.

Fiscal impact: Aggressive plans to encourage high school students to earn college credits and to encourage colleges and universities to accept these credits should result in an additional 5,000 students per year who would earn the equivalent of six credits while in high school. This would be the equivalent of reducing the college-going population by 1,000 FTE students and would generate savings to the state of $6 million and savings to students and their parents of $10 million.

Strategy 4. Charge block tuition

Specific proposal: The Legislature could adopt tuition schedules that allow students taking 13 or more credits per semester to pay the same total tuition as students taking 12 credits.

Discussion: A policy that allowed part-time students to pay tuition based on the number of credits in which they enrolled but allowed students enrolled in 12 or more credits to pay a maximum dollar amount for tuition would provide an incentive for students to enroll in more courses, because credits over and above 12 would be essentially tuition-free. Some students claim that they would take more courses if they were available, and this policy would put pressure on institutions to make them available.

Block tuition is a common policy in independent institutions, and students at these institutions typically take more courses, have higher graduation rates, and shorter times to degree. The National Center for Education Statistics reports that in 1990, 57.9 percent of baccalaureate graduates from independent institutions completed their degrees in four or fewer years, while only 36.1 percent of graduates from public institutions did the same.

Fiscal impact: Tuition could be set at a $400 maximum for students enrolling in 12 or more hours per semester but that other fees would be unchanged. Additionally, part-time students (those enrolled in less than 12 hours) could be charged per credit hour.

The total number of hours for which a student would register during the course of his or her career should be unchanged. The estimated loss in revenue to institutions from tuition would be $13 million, and there would be a corresponding savings to students. With the "all funds" appropriation, this would translate to a loss in revenue to the state in the same amount, since the institutional loss would be made up from an equivalent increase in general revenue.

Block tuition should motivate some students to take more credits each semester and graduate earlier, generating additional savings to students and their parents. For example, if 3,000 students who currently graduate in five years and 1,000 students who currently graduate in six years were to graduate in four years, there would be an additional savings to students and their parents of $34 million, for a total savings to students and their parents of $47 million.

Strategy 5. Use technology/distance education

Specific proposal: The Legislature could authorize the Coordinating Board to: (a) charter five Texas higher education institutions to offer five undergraduate core courses statewide via distance education, and (b) require all public institutions to accept transfer of these courses for full credit, and (c) establish the reimbursement rate for these courses and all equivalent courses offered at all institutions at 70 percent of the current reimbursement rate.

Discussion: Students complain that they are unable to complete their degrees as quickly as they wish because the courses they wish to enroll in are not available when the student wants to take them. This is especially prevalent for beginning undergraduate core courses. This proposal would address this need by identifying five high-demand, core courses that would be taught to a statewide audience using distance education. Each of these courses would be offered by a single institution, and this would free up faculty resources at other institutions to offer other courses.

Technology and economies of scale could allow the distance education courses to be offered at 70 percent of the current cost of teaching these courses. To provide an incentive for institutions to use the statewide courses rather than teach these courses on their own campuses, all equivalent courses shall be reimbursed at 70 percent of the current rate.

Educators have mixed feelings regarding the quality of distance education courses and the appropriateness of using them to teach beginning courses, and these factors would be an issue to be considered in adopting this strategy. On the other hand, these courses are often taught in very large sections. Numerous studies have indicated little or no difference in student learning when taught with conventional instruction or distance instruction, so if these courses are carefully designed and executed, quality need not be an issue.

Fiscal impact: If all 85,000 freshman students take one of these courses, reducing the reimbursement rate to 70 percent of the current rate would generate savings to the State of $4 million.

Greater availability of courses should, on average, reduce the average time-to-degree for students currently graduating in more than four years by 1 percent. This would result in additional savings to the state of $2 million and savings to students and their parents of $3 million.

Strategy 6. Increase summer school opportunities

Specific proposal: The Legislature could require that no less than 25 percent of the credits generated by each institution be generated in summer school.

Discussion: Currently, fewer than 12 percent of student credit hours are generated during summer sessions. Shifting more of the academic load to the summer has the potential to both reduce time-to-degree and lower costs.

Assuming the availability of courses, a student can typically earn the equivalent of one-third academic year credit during the summers, so a baccalaureate student could potentially reduce total time-to-degree by about a full year.

Savings accrue to the institution because of better utilization of facilities and human resources. A given level of instruction can be generated with fewer resources when they are used 12-months a year rather than 9-months. Because the state typically pays fringe benefits for the whole year for faculty and appoints most support staff to annual contracts, personnel costs are also lower for a given level of instruction.

Although most states encourage full utilization of facilities, only Florida is known to have had an aggressive program that requires students to attend summer school at least once during their four-year academic career. In Utah, Brigham Young University provides reduced levels of tuition for students who enroll in the summer.

Mandatory summer school attendance would create problems for students who earn a portion of their college expenses by working in the summer. It would imply more 12-month faculty appointments and a lower total faculty headcount.

This strategy does nothing to encourage students to take more courses in a given semester. However, for students who must pursue their studies on part-time basis, the availability of a full range of courses during the summer can do much to reduce time-to-degree.

Fiscal impact: The state should see marginal increases in costs due to an increase in utility usage. These increases should, in the long run, be offset by increases in the

efficiency of use of the physical plant. Since students would be attending the same total number of semesters, there is no obvious savings to students and their parents.

Strategy 7. Provide financial rewards to students who graduate in three years

Specific proposal: The Legislature could require universities to provide tuition rebates in the amount of $1,000 to students who complete requirements for baccalaureate degrees within 36 months from their initial registration.

Discussion: The Texas Legislature currently provides $1,000 grants to students who complete high school in three years. These grants may be used to defray the costs of tuition at Texas public colleges and universities. They are good educational policy because they encourage students to complete their high school studies expeditiously and to enroll in institutions of higher education. Also, the $1,000 grants cost much less than supporting the student in high school for an additional year.

This proposal suggests a similar policy for baccalaureate-level college students. The policy would encourage students to complete their undergraduate studies expeditiously, and it would save the state money because students who take fewer courses and/or spend shorter periods of time on campus cost the state less money.

The policy would put pressure on institutions to ensure that students were able to register for as many courses as they wished. Because students from low-income groups, on average, tend to complete their degrees more slowly than students from higher income groups, the program may be perceived as a program that provides financial assistance to those who need it least.

This policy should not increase the number of students who graduate, but it would cause a few students to graduate more quickly. They would do this by taking fewer non-required elective hours, by taking more courses each semester, by accumulating credits while in high school, by attending summer school, or by a combination of these strategies. This policy could increase the number of students who graduate within 36 months of initial registration from about 350 per year to about 700 per year.

This strategy would encourage students to register for more credits each semester, but it would affect relatively few students.

Fiscal impact: The cost of providing $1,000 tuition rebates to 700 baccalaureate graduates per year would be $700,000. Under the "all funds" method of finance currently used in Texas, this amount would be subtracted from institutional local income estimates and would be paid by the state, even though the rebates would be provided by institutions from local income. These costs would be offset by reduced costs to the state associated with 350 students taking fewer total hours and students enrolled for shorter periods of time. The savings associated with these two factors are estimated at $2 million, producing a net savings to the state associated with the strategy of $1.3 per

year. Savings to 350 students and their parents who would graduate in three years instead of four years is estimated at $4 million.

Strategy 8. Impose surcharge for excessive credits

Specific proposal: The Legislature could require universities to charge undergraduate students tuition equal to the full cost of education for more than 150 credits attempted in public institutions of higher education.

Discussion: This strategy essentially caps the educational resources that will be made available at state expense to any one student. Unlike the previous two strategies, it penalizes students who attempt significantly more credits than are required for the degrees in which they are enrolled.

Table 3, below, indicates the average number of hours accumulated by baccalaureate graduates.

Table 3
Hours Accumulated by Baccalaureate Graduates

Years to Degree	4	5	6	7	8	9	10
Average Hours Attempted	133	151	171	182	187	194	196

This strategy can be envisioned an academic debit card established by the state. When students first enroll, they would be advised that the state would subsidize the first 150 credits that they attempt, and students would be responsible for paying the full cost of education for any credits they attempt beyond that.

This strategy does not address the problem of slow student progress resulting from students attempting fewer courses than they are capable of attempting. It would provide a very positive financial incentive to encourage students to identify a major early and to minimize extraneous courses.

Implementing this strategy would impose a significant administrative burden on institutions and would be a very contentious issue for students.

Programs that increase student tuition or fees for students who have accumulated excessive hours have been considered previously by the Texas Legislature. California and North Carolina have implemented programs that impose higher tuition based on credits or degrees previously accumulated, but neither is exactly like the implementation proposed above.

Fiscal impact: If there was no change in student behavior, the additional cost to students would be approximately $82 million. This assumes that students would finance the entire cost of education for more than 150 hours. Likewise, the savings to the state would be $82 million.

However, if this policy has the desired result of altering student behavior over time, it could result in a 50 percent reduction in the number of credits in excess of 150 taken by students. Ultimately this would be equivalent to removing about 3,200 FTE students from Texas higher education with equivalent annual savings to the state of $41 million and a net cost to students and their parents of $8 million.

Strategy 9. Limit enrollments to required courses

Specific proposal: The Legislature could require that institutions allow students to enroll in no more than three courses that are not required for the degree program they are currently pursuing.

Discussion: This strategy would address one aspect of the time-to-degree problem -- students who take more courses than they need for a degree. However, this is a small part of the overall problem. Most students who acquire more courses than they need do so because they change majors or because they have taken courses with no specific academic objective in mind.

It does not address the problem of slow academic progress resulting from students taking fewer courses than they are capable of taking in a given term.

It would be extremely difficult to administer and would require that institutions do a much more comprehensive job of advising students. Managing the change of major process would become a formidable task on university campuses.

Finally, broadening one's perspective by taking courses outside the major is generally considered to be desirable, and implementing this strategy would be thought to be contrary to be best interests of the best students.

Fiscal impact: If it was somehow possible to limit students to three or some small number of courses beyond those required for the major, there would be dramatic savings to both the state and students. However, student behavior in response to such a policy would be so unpredictable as to make any sort of fiscal analysis impossible.

Institutions would be required to maintain much more sophisticated student tracking systems. Significantly more staff effort would be required for student advising and processing changes of major. It would create numerous conflicts between the academic interests of the student and his or her financial interests.

Strategy 10. Provide state subsidies only for required courses

Specific proposal: The Legislature could authorize the Coordinating Board to disallow formula funding for courses in which students are enrolled but which are not required for the degree program they are currently pursuing.

Discussion: This strategy would provide a strong financial incentive for institutions to limit the availability of courses outside the major, but would not prohibit them.

Like the previous strategy, it would address only one, relatively small aspect of the time-to-degree program. It would result in a major advising, student tracking, and reporting burden for institutions. It would be considered to be contrary to the interests of students who wish to broaden their educational backgrounds by taking courses outside their majors.

Although it has been discussed, no states have attempted to implement this strategy.

Fiscal impact: This strategy, like the previous one, has the potential for dramatic savings were it not for the practical problems associated with implementing it. It has the effect of penalizing the institution for excessive hours taken by students, rather than penalizing the students.

Institutions would be required to maintain much more sophisticated student tracking systems. Significantly more staff effort would be required for student advising and processing changes of major. It would create numerous conflicts between the academic interests of students and the financial interests of the institution.

Summary and Conclusions

Students in Texas public universities are taking longer to obtain degrees than ever before. The causes are numerous and complex.

Some causes result from changes in the student population and cannot be addressed. For example, more students opt to pursue degrees part-time while continuing full-time employment, and time-to-degree should not be an issue with these students.

Other causes result from changing student expectations as well as state and institutional policies and could be addressed. For example, many full-time students consider 12 credits to be a full-time load and do not attempt more courses, even though they should be able to take 15 or even 18 credits per semester.

This report provides ten strategies for shortening time-to-degree, as well as a possible implementation strategy and a brief analysis of each. Table 4 on the following page summarizes each of these strategies.

There are, obviously, numerous alternative implementations to each of these strategies, and there are clearly other strategies that could be adopted. Combinations of these and other strategies could be implemented.

This report does not recommend any specific strategy. Rather, it is intended as a background paper to provide a starting point and a framework for discussion of the time-to-degree issue.

Three recommendations are made:

- Institutional time-to-degree performance should be monitored and used to evaluate institutional effectiveness. The effect on time-to-degree should be considered by the Coordinating Board in all of its policy decisions.

- Legislative and institutional efforts to implement policies that address the time-to-degree problem should be supported and encouraged.

- The time-to-degree issue should be further studied. Specifically, time-to-degree in graduate programs and community and technical programs should be studied, and strategies for addressing time-to-degree should be further refined.

Table 4 - Summary

Strategy	Ease of Implementation	Effectiveness in Reducing Time-to-degree	Potential for Cost Savings to State	Potential for Cost Savings to Parents and Students	Feasibility
Require institutions to guarantee times-to-degree	+ +	+ +	+ +	+ +	+
Reduce credits required for degrees	+ + +	+	+	+	+
Earn college credits while in high school	+ +	+	+ +	+ +	+ +
Charge block tuition	+ + +	+	-	+ +	-
Expand use of technology/distance education	-	+	+	+	- -
Increase summer school opportunities	- -	+	+		- -
Reward three-year graduates	+ +	+	+	+	+
Surcharge for excessive credits	+	+ +	+ +	- -	-
Limit enrollments to required courses	- - -	+ +	+ +	++	- - -
Provide state subsidies only for required courses	- - -	+ +	+ +	+	- - -

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Related reports available from the Texas Higher Education Coordinating Board, Division of Research, Planning and Finance.

Administrative Expenditures in Texas Public Universities, October 1994

An Overview of Texas Public Higher Education Funding for the 1996-97 Biennium, April 1996

Appropriations for Remedial Instruction in Texas Public Institutions of Higher Education, July 1996

Master Plan for Texas Higher Education, 1995

Baccalaureate Graduation Rates, October 1996

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